

Appendix A – High Level Design Options

Type	Sub - Option	Description	High level Advantages & Risks
Minimum liability	All working age households have a fixed minimum amount of council tax to pay before means tested support is considered	On current estimates 17,235 households would have a minimum of £1.50 a week to pay before support was considered.	<p>It spreads the saving over the largest number of customers.</p> <p>It can be tailored to deliver the full saving.</p> <p>All working age households affected would have to pay something towards their council tax, irrespective of their financial position.</p> <p>This may be perceived by the general public as the most “unfair” design of the model types.</p> <p>It does not of itself fit the government's objectives for incentivising work.</p> <p>It will be challenging to collect council tax from large number of customers on low incomes.</p>

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Type	Sub - Option	Description	High level Advantages & Risks
Minimum liability	All non-working working age households have a fixed minimum amount of council tax to pay before means tested support is considered	On current estimates 12,956 households would have a minimum of £ 2.00 a week to pay before support was considered.	<p>It spreads the saving over a large number of customers.</p> <p>It can be tailored to deliver the full saving.</p> <p>All non-working, working age households affected would have to pay something towards their council tax, irrespective of their financial position.</p> <p>It supports the government's objectives for incentivising work.</p> <p>This may be perceived by the general public as the most "unfair" design of the model types.</p> <p>It will have the greatest negative impact on the council's objective to reduce inequality.</p> <p>It will be challenging to collect council tax from large number of customers on low incomes.</p>

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Changes to means testing	Reduce the applicable amount for working age groups (i.e. the amount used the calculation to determine the household threshold beyond which means testing applies)	<p>Only 6,481 households would be affected.</p> <p>For example, currently a single person aged 25 or over's applicable amount is £67.50. If this was reduced to £50 their benefit could be reduced by up to £3.50 a week)</p>	<p>It concentrates the saving on a relatively small number of households who would be significantly affected.</p> <p>It would not in itself generate sufficient savings.</p> <p>If too harshly applied, it could lead to negative tapering over all welfare benefits.</p> <p>It contrasts unfavourably with national benefits and could be open to legal challenge</p>

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Changes to means testing	Remove income disregards (some income types are not counted in benefit calculations or set amounts reduced from some income types)	Take into account allowances such as child benefit, war widow pension and disability living allowance.	<p>It concentrates the saving on a relatively small number of households who would be significantly affected.</p> <p>It would not in itself generate sufficient savings.</p> <p>It could create additional inequalities.</p> <p>If too harshly applied, it could lead to negative tapering over all welfare benefits.</p> <p>It contrasts unfavourably with national benefits and could be open to legal challenge</p>

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Changes to means testing	Tariffs, the amount of benefit reduced as a percentage of income over applicable amount	At present claimants are expected to put 20% of any income above their applicable amount towards their Council Tax before benefit is paid. If this increased to 40% this expectation is doubled.	<p>It concentrates the saving on a relatively small number of households who would be significantly affected.</p> <p>It would not in itself generate sufficient savings.</p> <p>If too harshly applied could lead to negative tapering over all welfare benefits.</p>
Changes to means testing	Increase non-dependent deductions. (The amount adults in the household other than the claimant or partner are expected to contribute towards liability before benefit can be paid)	Increase the amounts at an above inflationary rate.	<p>It concentrates the saving on a relatively small number of households who would be significantly affected.</p> <p>It would not in itself generate sufficient savings.</p> <p>May put additional unintended pressure on households and lead to family tensions.</p>

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Maximum Liability	Cap the maximum amount payable to band level	Effectively apply a house value/size restriction. For example, a single person maximum is band A level, couple band B and so on.	<p>There a variety of variables that could be applied to deliver the savings but only the harshest application would deliver the full amount.</p> <p>This may be perceived by the general public as a “fairer” design than the other model types.</p> <p>There is some ability to tailor this to meet wider policy objectives for example about making effective use of the housing stock.</p> <p>It may be difficult for some to find suitable accommodation within the band limitations particularly in social housing.</p> <p>There could be some households who lose significantly from this approach.</p>

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Type	Sub - Option	Description	High level Advantages & Risks
Maximum Liability	Cap the maximum amount to fixed £ levels	As above apply an effective house value/size restriction but fixed to financial amounts rather than bands. For example, single person maximum is £10 a week, a couple £15 and so on.	<p>Lots of variables but only harshest application delivers full savings.</p> <p>It might be more controllable than other options in terms of ensuring an agreed level of savings.</p> <p>This may be perceived by the general public as a “fairer” design than the other model types.</p> <p>There is some ability to tailor this to meet wider policy objectives for example about making effective use of the housing stock.</p> <p>It may be difficult for some to find suitable accommodation within the band limitations particularly in social housing.</p> <p>There could be some households who lose significantly from this approach.</p>

